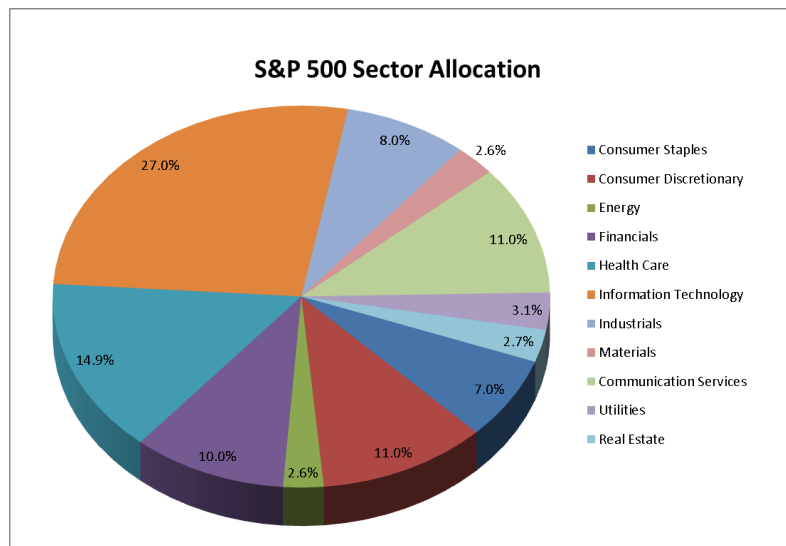


UMAX commentary – September 2020 (August Option Period)
Adviser Use Only



Source: Bloomberg, as of 21 August 2020

UMAX: ASX

NAV per unit (August 21)	\$ 18.2646
NAV per unit (July 17)	\$ 17.8090

August Option Period Returns

UMAX Total Return	2.56%
S&P 500 Total Return	2.98%
Over (Under) Performance	(0.42)%

*Performance in AUD terms

August Options at Inception

1-Mth Implied Vol.	20.6%
Portfolio Delta	-0.24
% Portfolio Written	98%

September Options at Inception

1-Mth Implied Vol.	16.45%
Portfolio Delta	-0.24
% Portfolio Written	98%

Distribution Per Unit History (by ex-date)

1 July 2020	\$0.3867
31 March 2020	\$0.3044
2 January 2020	\$0.2889
1 October 2019	\$0.2615

The UMAX total return was 2.56% between 17 July 2020 and 21 August 2020 (“August Option Period” or “August Period”). The S&P 500® Index (the “S&P 500” or “Index”) had a total return of 2.98%, in AUD terms, during the same August Period. Equity markets continued to rally during the August Period, with the Index reaching new all-time highs. Optimism about progress on a coronavirus vaccine, expectation that government will be able to agree on a stimulus package and expectation of continued monetary support from the Federal Reserve all likely contributed to the continued climb in the Index. The Index has now fully recovered losses incurred during the global pandemic earlier this year. Technology continued to lead the way, setting new all-time highs during the August period to be the best performing sector in the Index. Technology stocks represent close to 25% of the Index weighting, more than any other sector. The VIX volatility Index ended the August Period at new post-crisis lows of 22.54. The new September 2020 options were written with approximately 98% coverage, 2.73% out-of-the money and to an initial portfolio delta of -0.24.

Information Technology (Index weight: 24.1%)

Information Technology names surged as investors looked beyond elevated valuations and continued to reach for strong technology narratives with improving earnings. The sector advanced by 10.2% in the August Option Period, as semiconductor names continued to rally on strong work and play-from-home themes. Chip makers Nvidia (“NVDA”), Advanced Micro Devices (“AMD”) and Qualcomm (“QCOM”) vaulted 24.33%, 52.27% and 22.52% respectively in the period. Only 45 of 71 information tech names were positive for the month,

but heavily weighted Apple (“AAPL”) rallied a stunning 29.11% to help overcome weakness in storage and software makers.

Financials (Index weight: 10.2%)

The Financials sector rose 1.3% as investors remained more subdued about cyclical financial services names. Banks have rallied somewhat on reopening optimism, but have struggled on a relative basis to match many stronger performing sectors. While mortgage applications have remained strong, net interest income remains under

pressure against a dovish US Federal Reserve outlook for short term interest rates.

Real Estate (Index weight: 2.8%)

The Real Estate sector moved higher by 2.2% as optimism returned to the space. While the bounce back in retail has been more impressive than was generally expected, residential housing strength has also underpinned the sector. A desire by folks to move out from large cities, in order to enjoy more space and the freedom to work from anywhere, has led to strong demand and a lack of supply in single detached homes. Some concerns surrounding commercial real estate remain and travel and hospitality names continue to face ongoing uncertainty.

Healthcare (Index weight: 15.0%)

The Healthcare sector cooled somewhat with a meager 0.8% advance in the August Option Period. Performances were mixed as biotechnology names pulled back and Healthcare Service names rallied. Varian Medical Systems (“VAR”) surged 33.3% as large expected forward growth in radiotherapy markets gave investors hope.

Consumer Discretionary (Index weight: 12.1%)

The Consumer Discretionary sector jumped 9.6% as names in retail, home building and apparel rose against an improving reopening backdrop. While names were strong across the sector, with 50 of 61 names advancing, credit must also go to sector heavyweight Amazon (“AMZN”), which rose 10.9% in the August Option Period. Home builders rose resoundingly as DH Horton (“DHI”), PulteGroup (“PHM”) and NVR (“NVR”) surged by 21.25%, 27.29% and 26.35% respectively in the August Period.

Industrials (Index weight: 8.6%)

The Industrials sector returned 6.0% during the August Period, outperforming the Index. The transportation subsector did particularly well, with all those stocks trading higher during the period. Package shippers United Parcel Service (“UPS”) and Fedex Corp. (“FDX”) did particularly well, increasing 34.2% and 26.8% respectively during the August Period.

Consumer Staples (Index weight: 7.4%)

The Consumer Staples sector returned 4.2% during the August Period, matching the previous July Period performance. While traditionally a defensive sector, Consumer Staples have done well in this latest market rally. Sector heavyweight Proctor & Gamble Co. (“PG”) led the way, returning 9.4% during the period.

Energy (Index weight: 2.6%)

The Energy sector was the worst performing sector in the Index during the August Period, returning -3.2%. Energy stocks continue to disappoint, despite rises in oil and natural gas prices. Fears over stretched balance sheets and fears of a drop in future demand may have contributed to overall weakness.

Materials (Index weight: 2.7%)

The Materials sector was mixed and after being the best performing sector in the July Period, it underperformed the Index returning 1.1% during the August Period. Mining stocks continue to perform well, with Newmont Corp. (“NEM”) and Freeport-McMoran Inc. (“FCX”) returning 4.2% and 5.7% respectively.

Communication Services (Index weight: 11.6%)

The Communication Services sector returned 5.1% during the August Option Period. Social media stocks continue to perform well, with Twitter Inc. (“TWTR”) and Facebook Inc. (“FB”) returning 9.6% and 10.3% respectively.

Utilities (Index weight: 3.1%)

Utilities stocks were one of only two sectors in the Index to post negative returns during the August Option Period. FirstEnergy Corp. (“FE”) was the worst performer in the sector and fell over 33% as news hit that the company may be involved in a bribery scandal.

The Fund’s equity exposures continue to be obtained indirectly via its holding of one or more US-listed exchange traded funds.

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